

AN ORDINANCE

96767

AUTHORIZING THE EXECUTION OF A NEW TWENTY-YEAR LEASE AGREEMENT WITH NAYAK AVIATION CORPORATION ("NAYAK") FOR 123,274 SQUARE FEET OF GROUND SPACE AT AN ANNUAL RENTAL OF \$49,309.60, FOR THE DEVELOPMENT OF A NEW ABOVE-GROUND FUEL STORAGE FACILITY AT SAN ANTONIO INTERNATIONAL AIRPORT.

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WHEREAS, Nayak Aviation Corporation ("Nayak") is a current tenant at the San Antonio International Airport; and

WHEREAS, Nayak has requested that it be allowed to enter into a new twenty (20) year Lease Agreement with the City of San Antonio ("City") for a Fuel Storage Facility project estimated to include two (2) 5,000 barrel (440 gallons) Jet-A fuel tanks, three (3) ten thousand gallon vessels to store AGE equipment diesel, automobile unleaded gasoline, General Aviation 100 Octane AVGAS, and loading and unloading docks, at a projected cost of over \$500,000.00; and

WHEREAS, it is deemed to be in the best interests of the City to enter into a new twenty (20) year Lease Agreement for said premises with Nayak; **NOW THEREFORE**:

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:

SECTION 1. The City Manager or her designee is hereby authorized and directed to execute the Lease Agreement with Nayak Aviation Corporation ("Nayak") at San Antonio International Airport, for the development of a new aboveground Fuel Storage Facility, a copy of which is attached hereto as Attachment 1 and incorporated by reference herein for all purposes.

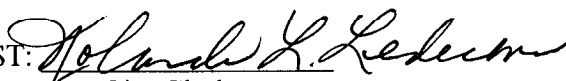
SECTION 2. The term of this Lease Agreement shall be twenty (20) years, commencing on the tenth day following City Council approval. This Agreement may be cancelled by the City of San Antonio ("City") upon the provision by the City to Nayak of 180 days written notice of cancellation, and is subject to the provisions for recapture and/or earlier termination contained therein.

SECTION 3. Revenues will be recorded in Fund 51-001 (Airport Fund) Index Code 030486 (Airport Ground Rentals - Aviation Service Area). The lease rate for the ground space is \$.40 per square foot for 123,274.00 square feet (\$49,309.60) per year).

SECTION 4. This ordinance will be effective on the tenth (10th) day after passage hereof.

PASSED AND APPROVED THIS 21st day of November, 2002.


MAYOR
EDWARD D. GARZA

ATTEST: 
City Clerk

APPROVED AS TO FORM: 
for City Attorney